BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC.,
HAWAII ELECTRIC LIGHT COMPANY, INC.,
and MAUI ELECTRIC COMPANY, LTD.

For Approval of a Lifeline Rate Program and
Recovery of Program Costs

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APPLICATION

EXHIBITS A - F

VERIFICATION

<u>and</u>

CERTIFICATE OF SERVICE

Darcy L. Endo-Omoto Vice President Hawaiian Electric Company, Inc. Hawaii Electric Light Company, Inc. Maui Electric Company, Ltd. P.O. Box 2570 Honolulu, Hawaii 96840 Telephone: 543-5660

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In the Matter of the Application of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.,)	DOCKET NO.
HAWAII ELECTRIC LIGHT COMPANY, INC	C.,)	
and MAUI ELECTRIC COMPANY, LTD.)	
)	
For Approval of a Lifeline Rate Program and)	
Recovery of Program Costs)	
)	

APPLICATION

TO THE HONORABLE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII:

HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO") and MAUI ELECTRIC COMPANY, LIMITED ("MECO") respectfully request that the Commission: (1) approve their Lifeline Rate Program; (2) find that the costs of the proposed Lifeline Rate Program are reasonable; (3) allow the Companies to recover the reasonable costs incurred by the Companies above the costs included in base rates; and (4) approve the Companies' proposed cost recovery mechanism.

¹ HECO, HELCO, and MECO are collectively referred to herein as the "HECO Companies" or "Companies."

² At this time, the Companies do not have preliminary estimates for the incremental labor and non-labor costs that may be needed to implement and maintain this program. Therefore, the proposed program budget included in this application consists solely of benefits that will be distributed to program participants. The HECO Companies will evaluate the costs to maintain this program after one year of actual implementation experience has been obtained.

I. The HECO Companies

HECO, whose principal place of business and whose executive offices are located at 900 Richards Street, Honolulu, Hawaii, is a corporation duly organized under the laws of the Kingdom of Hawaii on or about October 13, 1891, and now exists under and by virtue of the laws of the State of Hawaii. HECO is an operating public utility engaged in the production, purchase, transmission, distribution and sale of electricity on the island of Oahu.

HELCO, whose principal place of business and whose executive offices are located at 1200 Kilauea Avenue, Hilo, Hawaii, is a corporation duly organized under the laws of the Republic of Hawaii on or about December 5, 1894, and now exists under and by virtue of the laws of the State of Hawaii. HELCO is an operating public utility engaged in the production, purchase, transmission, distribution and sale of electricity on the island of Hawaii.

MECO, whose principal place of business and whose executive offices are located at 210 West Kamehameha Avenue, Kahului, Hawaii, is a corporation duly organized under the laws of the Territory of Hawaii on or about April 28, 1921, and now exists under and by virtue of the laws of the State of Hawaii. MECO is an operating public utility engaged in the production, purchase, transmission, distribution and sale of electricity on the islands of Maui, Lanai, and Molokai.

II. Correspondence and Communications

Correspondence and communications in regard to this Application should be addressed to:

Dean Matsuura Manager, Regulatory Affairs Division Hawaiian Electric Company, Inc. P.O. Box 2750 Honolulu, Hawaii 96840

and

Thomas W. Williams, Jr., Esq. Peter Y. Kikuta, Esq. Goodsill Anderson Quinn & Stifel Alii Place, Suite 1800 1099 Alakea Street Honolulu, Hawaii 96813

III. Overview

A. Program Background

On October 20, 2008, the Governor of the State of Hawaii, the State of Hawaii

Department of Business, Economic Development and Tourism, and the State of Hawaii Division
of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer
Advocate") and the Companies entered into this comprehensive agreement, generally identified
as the Hawaii Clean Energy Initiative ("HCEI") Agreement, which is designed to move the State
away from imported fossil fuels for electricity and transportation and towards locally produced
renewable energy and an ethic of energy efficiency.

In Section 20, "Lifeline Rates," page 29, of the HCEI Agreement, the signatories agreed that the Companies and the Consumer Advocate would "explore by April 2009, the possibility of establishing 'lifeline rates,' which are designed to provide a cap on rates for those who are unable to pay the full cost of electricity and submit a proposal for Commission approval by April 2009."

The Companies' proposed Lifeline Rate Program balances the needs of low income families with the rate impact on customers from all rate classes³ who will finance the program.

³ The adjustment to collect Lifeline Rate Program funds are based on the kWh sales of all customers, and also include those who receive program benefits.

B. Program Description

The Companies developed the proposed Lifeline Rate Program to meet the following objectives:

- Support low income families by providing assistance for a minimum level of necessary energy use.
- 2. Retain customer's incentive for energy efficiency and conservation.

The Lifeline Rate Program would provide a monthly bill credit to qualified, low-income customers that complete the Companies' enrollment procedures. Qualification would be based on enrollment in at least one of three existing government programs: (1) Low Income Home Energy Assistance Program (LIHEAP), (2) Medicaid, and (3) Supplemental Security Income ("SSI") (refer to Section IV.B.). The enrollment procedures are detailed in Section IV.C. The monthly bill credit will vary by island, and is estimated to be in the range of \$25 to \$35 per month. Specific details are provided in Section IV.A).

The Companies and the Consumer Advocate are in discussion as to the appropriate recovery mechanism for the Companies to recover the Lifeline Rate Program credits passed on to program participants. Refer to Section IV.G. For illustrative purposes, this application assumes that funding for this monthly bill credit would be through a monthly Lifeline Rate Adjustment based on all kWh sold, for all customer classes. Each island will pay for its own customers who participate in the Lifeline Rate Program. The amount of the Lifeline Rate Adjustment is a function of the dollar amount of the monthly bill credit, the estimated number of participants, and the estimated number of kWh over which to recover the Lifeline Rate Program credits. The annual participant benefits collected through the Lifeline Rate Adjustment are estimated to be in the range of \$1,002,000 - \$4,020,000 for HECO, \$550,200 - \$3,486,000 for HELCO, and

\$216,000 - \$1,566,000 for MECO; and \$1,768,200 to \$9,072,000 for total HECO Companies. See Section IV.B and Exhibit C.

This new Lifeline Rate Program will replace the previously proposed Schedule R waiver provision. The Schedule R waiver provision would have capped the non-fuel energy charge for customers that were receiving LIHEAP credits.⁴

The Companies' proposed Lifeline Rate Program is easy to understand and to implement. The simplicity of the program should increase customer inquiries about the program and should enable the Companies' customer service staff to describe the program clearly.

Importantly, the proposed monthly bill credit provides economic support for low income families without removing the incentive to conserve energy. (Energy Efficiency is a cornerstone of the HCEI Agreement⁵). For example, an uncapped fixed percentage credit, while allowing for flexibility in the sizes of low income households, may remove some of the incentive to conserve energy because the monthly credit will increase along with energy consumption. Certain participants might not curtail energy usage, knowing that a fixed percentage of their bills would be credited regardless of the billed amount.

The proposed Lifeline Rate Program enrollment process will utilize existing government public assistance programs to identify qualified customers in an effort to minimize costs associated with administering the Lifeline Rate Program. In addition, this will expedite the implementation process.

⁴ LIHEAP is one of the government programs that is being proposed to qualify customers for the Lifeline Rate Program, along with Medicaid and Supplemental Security Income.

⁵ "It is the goal of all parties to ensure that Hawaii achieves the maximum possible levels of energy efficiency as it represents the most effective use of resources possible, including conservation by not using resources at all." HCEI Agreement at 21.

IV. Program Implementation

A. Derivation of the Monthly Credit

The Companies derived the monthly credit by examining the typical residential monthly bills effective April 1, 2009. The typical residential monthly bills are based on 600 kWh per month energy usage for Oahu and Maui, and 500 kWh per month energy usage for Hawaii, Lanai, and Molokai. A discount of 20% was examined as a design scenario, based on a review of low-income programs in other jurisdictions⁶. Using the 20% discount as a starting point, the Companies then rounded the monthly credit up to the nearest \$5 increment. The Companies recognize that residential electric rates and bills will vary, and the upward rounding does provide for a limited cushion, should rates and bills increase during the regulatory review of this application. These calculations are illustrated in Exhibit A, with the results summarized below:

Island	Monthly Bill Credit (Not Refundable)
Oahu	\$25
Hawaii	\$35
Maui	\$30
Lanai	\$35
Molokai	\$35

B. Eligibility, Estimated Participation Levels, and Program Budgets

The Companies have estimated ranges in potential participation, based on the proposed method of using LIHEAP, Medicaid, and Supplemental Security Income ("SSI")⁷ government programs to qualify Lifeline Rate Program customers. This is designed to increase participation, while allowing the Companies to leverage the qualification procedures that government agencies

⁶ For example, Southern California Edison's low-income CARE program literature describes a residential discount of 20%. Information regarding low-income programs from other jurisdictions is provided in Exhibits F1, F2, and F3.

⁷ Supplemental Security Income should not be confused with Social Security Income.

have already implemented. The Companies note that the participation ranges are broad, which communicates the uncertainty of the estimates. Estimated participants are based upon data collected from state agencies on current enrollment in state programs, which changes daily due to open enrollment policies. Due to the present economic conditions, enrollment in state assistance programs is increasing substantially, with continued growth expected over the next fiscal year. This would increase the number of eligible participants in the Lifeline Rate Program.

The lower end of the range reflects the actual number of participants in the 2008 LIHEAP program (families living at or below 150% of federal poverty level) because these customers would all qualify for the Lifeline Rate Program, though there would be no guarantee that all would apply. The higher number in the range includes estimated eligible households extrapolated from the Medicaid and SSI total enrollment numbers for each island (data was consolidated for Maui County; Lana'i and Moloka'i participants were included but not broken down). Total enrollment numbers provided from the state for Medicaid and SSI are based on individuals rather than on households, with no data available to the Companies to determine how many households or actual Company accounts are represented. Participants in these programs may be living in private care facilities, single metered apartment complexes, or other situations which would make them ineligible for the Lifeline Rate Program. The estimated participation ranges reflect adjustments made to subtract the total number of households living in public housing because they would be ineligible because they do not have Company accounts. Additionally, the state program total numbers include individuals who participate in more than one of these assistance programs. No data is available to the Companies on the overlap of participation among these programs. Finally, as this is a new program, the Companies have no experience or basis to estimate public interest and response levels to this type of service.

Creating a range of possible participants allows for the special circumstances that the program may encounter at its inception. These estimated participation ranges provided below should not be interpreted as absolute minimums or maximums -- it is possible that program participation could fall short of the lower number in the range, or exceed the higher number in the range.

Island	Estimated Participants ⁸
Oahu	3,340 – 13,400
Hawaii	1,310 – 8,300
Maui County	600 – 4,350
Total HECO Companies	5,250 – 26,050

Funding requirements are then developed by multiplying the number of potential participants by the monthly benefit and the number of months per year (12). These results are summarized below.

Island	Estimated Participants	Monthly Credit	Estimated Annual Funding Requirement ⁹
Oahu	3,340 – 13,400	\$25	\$1,002,000 - \$4,020,000
Hawaii	1,310 - 8,300	\$35	\$550,200 - \$3,486,000
Maui County ¹⁰	600 – 4,350	\$30	\$216,000 - \$1,566,000
Total HECO Companies	5,250 – 26,050	N/A	\$1,768,200 - \$9,072,000

⁸ The number of eligible participants are estimated for Maui County, but separate data for Lanai and Molokai are not readily available.

⁹ At this time, the HECO Companies are not proposing to estimate incremental labor and non-labor costs due to the uncertainties in enrollment and public response. Therefore, the annual funding requirement is based solely on the monthly bill credit and the estimated number of participants. No marketing funds are included in order to minimize the costs of the program. Existing communication tools and outreach venues will be utilized to publicize the program and encourage enrollment.

program and encourage enrollment.

The purposes of this illustration, the potential participants in Maui County are multiplied by the Maui (island) adjustment. The actual funding requirement will depend on the number of participants from Lanai and Molokai.

C. Enrollment Procedures

Customers will fill out an application form, include photocopies of the requested verification information, and sign it before returning it to the Companies in person or through the mail. An illustrative version of the application form is provided in Exhibit B. The Companies will check the application forms for completeness and keep them on file; however, the Companies do not intend to audit the applications. Unlike programs that are state legislated or federally mandated, access to state program databases and client information is unavailable for this purpose. Auditing applications would also increase the administrative burden and cost of implementing the program.

As indicated on the application form, the qualifying Lifeline Rate Program applicant must be a HECO, HELCO, or MECO customer, with his or her name on the electric bill. In order to meet this criterion, a household may elect to change the name designated on the electric bill to match that of the Lifeline Rate Program applicant's name.

The Companies are currently in discussion with the Consumer Advocate on whether to maintain an open enrollment period (i.e., enrollment can take place anytime during the year) versus a limited time enrollment period (i.e., enrollment limited to certain time or months of the calendar year) should be adopted. There are advantages and disadvantages with both alternatives. The Companies will file an update with the Commission upon conclusion of this discussion with the Consumer Advocate.

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¹¹ As stated on the application form, the Companies will accept photocopies of documents as proof of enrollment in any of the three selected government programs. The Companies are unable to independently verify with the government agencies that individual customers are currently enrolled in the qualifying programs because of privacy restrictions. For example, though the Companies have information on customer participation in the LIHEAP program, the State of Hawaii Department of Human Services ("DHS") specifically prohibits the use of the information for any purpose other than LIHEAP.

For the purpose of this Application and for illustrative purposes only, the Companies will accept applications at any time during the year. Thereafter on an annual basis, existing participants will be required to re-enroll. This schedule will be the same for all islands, and is summarized in the table below:

Phase	Enrollment Window	Enrollment Duration
Participant's Initial Enrollment	At any time during the year	Approximately 12 months
Subsequent Re-Enrollment	Approximately 12 months following previous enrollment	Approximately 12 months

Due in part to the uncertainty in the number of program inquiries, the number of qualifying customers that will apply, and other factors which may affect the ability to process applications¹³, the Companies may need to adjust the enrollment window. The Companies will gain experience in the administrative requirements over time, and refinements may be necessary. Refer to the schedule shown in Section IV.H.

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¹² The use of an open enrollment scenario for illustrative purposes does not indicate of any preference or less preference for either the open enrollment or limited time enrollment scenario. The HECO Companies will file an update upon conclusion of discussions with the Consumer Advocate as to which option the Companies would like to proceed with.

proceed with.

13 Customer inquiries will be received from both qualified and non-qualified customers. Additionally, the Companies may receive applications that are incomplete or otherwise fail to properly qualify the applicant. Addressing these types of issues will take resources away from the processing of valid applications.

D. Estimated Lifeline Rate Adjustment

The monthly bill credits for each island will be paid for through Lifeline Rate

Adjustments collected on that island. All customers will pay the Lifeline Rate Adjustment,

based on kWh usage. Detailed calculations are provided in Exhibit C, and are summarized in the
ranges provided below.

		articipation nario	Higher Participation Scenario			
Island	Annual Funding	Estimated Adjustment (Cents/kWh) Annua Fundin		Estimated Adjustment (Cents/kWh)		
Oahu	\$1,002,000	0.01	\$4,020,000	0.05		
Hawaii	\$550,200	0.05	\$3,486,000	0.31		
Maui County ¹⁴	\$216,000	0.02	\$1,566,000	0.13		

The Companies will proceed with the initial launch of the Lifeline Rate Program, and then use the Lifeline Rate Adjustment mechanism to recover the Lifeline Rate Program credit based on the recorded participation levels experienced on each island. It is anticipated that the Lifeline Rate Adjustment would be implemented approximately three months after the monthly bill credits are initiated. Refer to the schedule proposed in Section IV. H.

The Companies will evaluate the incremental labor and non-labor costs to maintain and manage the Lifeline Rate Program above the costs included in base rates in the Companies' last approved test year rate cases one year after program implementation to determine if these incremental labor and non-labor costs should be recovered in the Lifeline Rate Adjustment recovery mechanism. If the Companies find that these incremental labor and non-labor costs to maintain and manage the Lifeline Rate Program need to be included in the Lifeline Rate

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¹⁴ For the purposes of this illustration, the potential participants in Maui County are multiplied by the Maui (island) adjustment. The actual funding requirement by island will depend on the number of participants from Lanai and Molokai, which are not readily available at this time.

Adjustment recovery mechanism, the Companies will file tariff changes with the Commission in accordance with HAR §6-61-111. The changes to the tariff will be effective 30 days after filing with the Commission, unless suspended by the Commission or at a later date as may be specified in the transmittal letter.

E. Residential Bill Impact

Under the assumptions made in this application, the Companies estimate that there could be a wide range of residential bill impact from the Lifeline Rate Adjustments (the derivations are provided as Exhibit C). For the purposes of assessing the reasonableness of the potential bill impact, it would be conservative to focus on the upper end of the potential range. Therefore, results from the higher participation scenario are highlighted below.

Island	Estimated Residential Bill Impact ¹⁵ (\$ per Month)
Oahu	\$0.31
Hawaii	\$1.54
Maui County	\$0.77
Lanai	Not Readily Available
Molokai	Not Readily Available

At this time, the Companies believe these residential bill impacts will strike a balance between benefits received by the Lifeline Rate Program participants and the rate adjustments paid by all ratepayers. However, the Companies may need to adjust program parameters once experience in program participation is developed (e.g., at least one year of program implementation experience).

¹⁵ See Exhibit C, results for Higher Participation Scenario. Based on typical usage of 600 kWh/month for HECO and Maui, and 500 kWh/month for Hawaii. The number of eligible participants are estimated for Maui County, but are not readily available for Lanai and Molokai.

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F. Proposed Tariff Sheets

Exhibits D1, D2, D3, D4, and D5 are the draft proposed tariff sheets for the Lifeline Rate Program for HECO, HELCO, MECO – Maui Division, MECO – Lanai Division, and MECO – Molokai Division, respectively.

G. Proposed Recovery Mechanism

Exhibits E1, E2, and E3 are the draft proposed Lifeline Rate Adjustment tariff sheets for HECO, HELCO, MECO – Maui Division, MECO – Lanai Division, and MECO – Molokai Division, respectively. The HECO Companies and the Consumer Advocate are in discussion as to the appropriate recovery mechanism for the Companies to recover the Lifeline Rate Program credits passed on to program participants. Two options are currently being assessed and analyzed: (1) recovery via a separate Lifeline Rate Surcharge, or (2) recovery via the Revenue Balancing Account ("RBA") component of the HECO Companies' proposed decoupling mechanism, in Docket No. 2008-0274. The HECO Companies will file an update with the Commission upon conclusion of the discussion with the Consumer Advocate and file an updated draft proposed Exhibits E1, E2, E3, E4, and E5 as needed.

In order to reconcile any differences that may occur between the Lifeline Rate Program costs to be recovered and the revenues received from the Lifeline Rate Adjustment, recorded revenues will be compared with the above costs. The Lifeline Rate Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustment and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the Lifeline Rate adjustment.

16 See the Exhibit A (RBA Provision) of the Joint Proposal on Decoupling and Statement of Position of the HECO

Companies and the Consumer Advocate, filed March 30, 2009, in Docket No. 2008-0274.

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H. Proposed Schedule

A proposed schedule for implementation of the Lifeline Rate Program at HECO, HELCO, and MECO is provided for illustrative purposes. While the Companies have held preliminary discussions with internal stakeholders, additional planning and implementing will commence in earnest after reasonable assurances of cost recovery are obtained (as indicated by the "D&O" date, below):

<u>Date</u>	Milestone
4/30/09	File Lifeline Rate Program Application.
"D&O" Date (TBD)	Receive Commission Approval.
D&O + 0 months	Refine implementation procedures, prepare public roll-out (alert public, advocacy groups, etc.), test in customer billing system, conduct Customer Service training, etc.
D&O + 4 months	Begin accepting program applications
D&O + 6 months	Begin bill credit implementation, in chronological order of receipt of application.
D&O + 9 months	Implement bill adjustment, based on recorded program participation. (Refer to Section IV.D., "Lifeline Rate Program Adjustment")
D&O + 16 month	Begin re-enrollment period. Re-examine program bill credits and participation levels.

V. Summary

WHEREFORE, the Companies respectfully requests that this Honorable Commission:

- 1. Approve their Lifeline Rate Program;
- 2. Find that the costs of the proposed Lifeline Rate Program are reasonable;
- Allow the Companies to recover the reasonable costs through the implementation of a new Lifeline Rate Adjustment;

- 4. Approve the Companies' proposed recovery mechanism;
- 5. Grant the Companies such other and further relief as may be just and equitable in the premises.

DATED: Honolulu, Hawaii, April 30, 2009.

HAWAIIAN ELECTRIC COMPANY, INC. HAWAII ELECTRIC LIGHT COMPANY, INC. MAUI ELECTRIC COMPANY, LTD.

Bv:

Darcy L. Endo-Omoto

Vice President

Derivation of Monthly Bill Credit

	Typical Monthly Residential Bill ¹ (Eff. 4/1/09) A	Discount Scenario ² (Percent) B	Discount Scenario (\$) C = A*B	Monthly Credit (Round Up to nearest \$5)
Oahu	\$118	20%	\$23.6	\$25
Hawaii	\$155	20%	\$31.0	\$35
Maui	\$140	20%	\$28.0	\$30
Lanai	\$152	20%	\$30.4	\$35
Molokai	\$151	20%	\$30.2	\$35

Notes:

- 1 Rates effective April 1, 2009. Based on 600 kWh consumed for Oahu and Maui, and 500 kWh consumed for Hawaii, Lanai, and Molokai, per letters filed with the Commission on March 31, 2009.
- 2 California Public Utilities "CARE" program provides approximately 20% discount.

EXHIBIT B

Hawaiian Electric Company

(HELCO/MECO Logo)

PROGRAM NAME

Application & Customer Certification

Mail to: Hawaiian Electric Company, Inc., PO Box 3978, Honolulu, HI 96812-3978 For assistance call: (808) 548-7311

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Application may be dropped off in person to:

HECO Customer Service 900 Richards Street Honolulu, HI 96813 7:30am to 5:00pm, M-F (Closed weekends & holidays)

HECO Customer Service 820 Ward Avenue Honolulu, HI 96814 7:30am to 4:00pm, M-F (Closed weekends & holidays)

	Please complete all Items, provide required customer information, and sign.
1.	I am currently enrolled in at least one of the following government benefit programs. (Place a check mark in the box ☑ to the left)
	 ☐ Medicaid ☐ Supplemental Security Income (SSI); not to be mistaken for Social Security Income ☐ Low Income Home Energy Assistance Program (LIHEAP)
2.	Required documentation (Proof of enrollment in only one program needs to be submitted)
	☐ I am enclosing a photocopy of my document proving enrollment in one of the government benefit programs above. (Please note that any document sent with this application will not be returned, do not send original).
	 Examples of accepted documentation for each program: Medicaid: Medicaid card or Medicaid notification letter for program enrollment Supplemental Security Income: SSI notification letter for program enrollment or most recent SSI check stub (must be within the last 30 days) LIHEAP: Notification letter for program enrollment
3.	The PROGRAM NAME service is provided only at my principal place of residence in the State of Hawaii, and the Hawaiian Electric bill is in my name. My Hawaiian Electric Account Number is:
4.	I understand that once a year, I must complete, sign, and submit back to Hawaiian Electric a re-certification form and documented proof of eligibility for approval before the renewal deadline. I further understand that failure to return the completed and signed form and proof of enrollment in one of the qualifying programs will result in the discontinuation of my PROGRAM NAME discount assistance.
5.	I hereby certify the above information is true to the best of my knowledge. I fully understand that Hawaiian Electric reserves the right to verify any of the statements in this application. If I knowingly make any false statements concerning my PROGRAM NAME qualifications, I agree to pay all charges to return my service to regular rates, and to pay the difference between regular rates and PROGRAM NAME rates retroactive to the date when the application was made. I hereby certify that I have read the PROGRAM NAME qualifications and have check marked the appropriate box/boxes.
7	Customer Name (Please Print) Phone Number
7	Customer Address City Zip Code
7	Customer Signature Date
	Please note that all information provided by Hawaiian Electric customers will be treated as confidential, pursuant to relevant state and federal law, and will be used by Hawaiian Electric solely to administer the

PROGRAM NAME.

Estimated Adjustment and Residential Bill Impact

Monthly			ver Participa	tion Scenario	<u> </u>	Higher Participation Sc			enario Other Assumptions		nptions
Company	Discount per Participant (\$)	Estimated Participants	P 11	Estimated Adjustment cents/kWh	Impact	Estimated Participants		Estimated Adjustment cents/kWh	Typical Res. Bill Impact (\$/month)	2009 MW h	Typical Bill kWh
HECO	\$25	3,340	\$1,002,000	0.01	\$ 0.08	13,400	\$4,020,000	0.05	\$ 0.31	7,657,800	600
HELCO	\$35	1,310	\$550,200	0.05	\$ 0.24	8,300	\$3,486,000	0.31	\$ 1.54	1,134,800	500
MECO Cons. ²	\$30	600	\$216,000	0.02	\$ 0.11	4,350	\$1,566,000	0.13	\$ 0.77	1,219,876	600
HECO Cons			\$1,768,200				\$9,072,000				

Notes:

- 1 The annual funding requirement does not include an estimate for incremental labor or non-labor
- Participation estimates are not readily available for Lanai & Molokai, therefore participation for MECO Consolidated is used to illustrate the adjustment and bill impact.

SCHEDULE "L"

Lifeline Rate Program

AVAILABILITY:

Applicable to Schedule R customers of Hawaiian Electric Company, Inc. that have completed the Lifeline Rate Program application and have submitted proof of current enrollment in one of the following federal government programs: Low Income Home Energy Assistance Program (LIHEAP), Medicaid, or Supplemental Security Income. Lifeline Rate Program participants are eligible for 12 months, after which a new Lifeline Rate Program application and a new proof of enrollment must be submitted in order to reestablish eligibility for the program.

RATE ADJUSTMENT:

The customer's bill shall be in accordance with the applicable Schedule R with the following exception:

The customer shall receive a monthly bill credit of \$25.00, or the total bill amount, whichever is less

The monthly bill credit shall not be adjusted by any percentage (%) rate adjustment or surcharge that may be applicable to Schedule R. The monthly bill credit may be applied to reduce the customer's minimum charge under Schedule R, but in no case will the monthly bill of the Lifeline Rate Program participant be less than \$0.00. Monthly bill credits under this provision may not be carried forward to future months or transferred to any other electric service account.

Rules and Regulations:

SCHEDULE "L"

Lifeline Rate Program

AVAILABILITY:

Applicable to Schedule R customers of Hawaii Electric Light Company, Inc. that have completed the Lifeline Rate Program application and have submitted proof of current enrollment in one of the following federal government programs: Low Income Home Energy Assistance Program (LIHEAP), Medicaid, or Supplemental Security Income. Lifeline Rate Program participants are eligible for 12 months, after which a new Lifeline Rate Program application and a new proof of enrollment must be submitted in order to reestablish eligibility for the program.

RATE ADJUSTMENT:

The customer's bill shall be in accordance with the applicable Schedule R with the following exception:

The customer shall receive a monthly bill credit of \$35.00, or the total bill amount, whichever is less

The monthly bill credit shall not be adjusted by any percentage (%) rate adjustment or surcharge that may be applicable to Schedule R. The monthly bill credit may be applied to reduce the customer's minimum charge under Schedule R, but in no case will the monthly bill of the Lifeline Rate Program participant be less than \$0.00. Monthly bill credits under this provision may not be carried forward to future months or transferred to any other electric service account.

Rules and Regulations:

MAUI DIVISION

SCHEDULE "L"

Lifeline Rate Program

AVAILABILITY:

Applicable to Schedule R customers of Maui Electric Company, Ltd. - Maui Division that have completed the Lifeline Rate Program application and have submitted proof of current enrollment in one of the following federal government programs: Low Income Home Energy Assistance Program (LIHEAP), Medicaid, or Supplemental Security Income. Lifeline Rate Program participants are eligible for 12 months, after which a new Lifeline Rate Program application and a new proof of enrollment must be submitted in order to reestablish eligibility for the program.

RATE ADJUSTMENT:

The customer's bill shall be in accordance with the applicable Schedule R with the following exception:

The customer shall receive a monthly bill credit of \$30.00, or the total bill amount, whichever is less

The monthly bill credit shall not be adjusted by any percentage (%) rate adjustment or surcharge that may be applicable to Schedule R. The monthly bill credit may be applied to reduce the customer's minimum charge under Schedule R, but in no case will the monthly bill of the Lifeline Rate Program participant be less than \$0.00. Monthly bill credits under this provision may not be carried forward to future months or transferred to any other electric service account.

Rules and Regulations:

LANAI DIVISION

SCHEDULE "L"

Lifeline Rate Program

AVAILABILITY:

Applicable to Schedule R customers of Maui Electric Company, Ltd. - Lanai Division that have completed the Lifeline Rate Program application and have submitted proof of current enrollment in one of the following federal government programs: Low Income Home Energy Assistance Program (LIHEAP), Medicaid, or Supplemental Security Income. Lifeline Rate Program participants are eligible for 12 months, after which a new Lifeline Rate Program application and a new proof of enrollment must be submitted in order to reestablish eligibility for the program.

RATE ADJUSTMENT:

The customer's bill shall be in accordance with the applicable Schedule R with the following exception:

The customer shall receive a monthly bill credit of \$35.00, or the total bill amount, whichever is less

The monthly bill credit shall not be adjusted by any percentage (%) rate adjustment or surcharge that may be applicable to Schedule R. The monthly bill credit may be applied to reduce the customer's minimum charge under Schedule R, but in no case will the monthly bill of the Lifeline Rate Program participant be less than \$0.00. Monthly bill credits under this provision may not be carried forward to future months or transferred to any other electric service account.

Rules and Regulations:

MOLOKAI DIVISION

SCHEDULE "L"

Lifeline Rate Program

AVAILABILITY:

Applicable to Schedule R customers of Maui Electric Company, Ltd. - Molokai Division that have completed the Lifeline Rate Program application and have submitted proof of current enrollment in one of the following federal government programs: Low Income Home Energy Assistance Program (LIHEAP), Medicaid, or Supplemental Security Income. Lifeline Rate Program participants are eligible for 12 months, after which a new Lifeline Rate Program application and a new proof of enrollment must be submitted in order to reestablish eligibility for the program.

RATE ADJUSTMENT:

The customer's bill shall be in accordance with the applicable Schedule R with the following exception:

The customer shall receive a monthly bill credit of \$35.00, or the total bill amount, whichever is less

The monthly bill credit shall not be adjusted by any percentage (%) rate adjustment or surcharge that may be applicable to Schedule R. The monthly bill credit may be applied to reduce the customer's minimum charge under Schedule R, but in no case will the monthly bill of the Lifeline Rate Program participant be less than \$0.00. Monthly bill credits under this provision may not be carried forward to future months or transferred to any other electric service account.

Rules and Regulations:

LIFELINE RATE ADJUSTMENT

Supplement To

Schedule Schedule Schedule	Ē L	- -	Residential Service Electric Service For Employees Lifeline Rate Program General Service Non-Demand
Schedule	-		General Service Demand
Schedule			Commercial Cooking, Heating, Air Conditioning, and Refrigeration Service
Schedule	PS	-	Large Power Secondary Voltage Service
Schedule	PΡ	-	Large Power Primary Voltage Service
Schedule	PT	_	Large Power Transmission Voltage Service
Schedule	F	-	Public Street Lighting, Highway Lighting and Park and Playground Floodlighting
Schedule	U	-	Time of Use Service
Schedule	TOU	J-R -	Residential Time-of-Use Service
Schedule	TOU	1-C -	Commercial Time-of-Use Service
Schedule	SS	_	Standby Service

All terms and provisions of Schedules R, E, L, G, J, H, PS, PP, PT, F, U, TOU-R, TOU-C and SS are applicable except that the total base rate charges for each billing period shall be increased by the following Lifeline Rate Adjustment:

All Rate Schedules X.XXXX ¢/kWh

The total base rate charges for all rate schedules shall be increased by the above Lifeline Rate Adjustment, which is based on the recovery of the Lifeline Rate program costs as approved by the Public Utilities Commission. Amounts billed under the Lifeline Rate Adjustment will appear as a separate line item on customer bills.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Lifeline Rate Adjustment and other adjustments to base rate charges.

RECONCILIATION ADJUSTMENT: (To be added to Lifeline Rate Adjustment):

LIFELINE RATE ADJUSTMENT

Supplement To

Schedule R	-	Residential Service
Schedule E	-	Electric Service For Employees
Schedule L	_	Lifeline Rate Program
Schedule G	-	General Service Non-Demand
Schedule J	-	General Service Demand
Schedule H	-	Commercial Cooking and Heating Service
Schedule P	-	Large Power Service
Schedule F	-	Street Lighting Service
Schedule U	_	Time of Use Service

All terms and provisions of Schedules R, E, L, G, J, H, P, F, and U are applicable except that the total base rate charges for each billing period shall be increased by the following Lifeline Rate Adjustment:

All Rate Schedules X.XXXX ¢/kWh

The total base rate charges for all rate schedules shall be increased by the above Lifeline Rate Adjustment, which is based on the recovery of the Lifeline Rate program costs as approved by the Public Utilities Commission. Amounts billed under the Lifeline Rate Adjustment will appear as a separate line item on customer bills.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Lifeline Rate Adjustment and other adjustments to base rate charges.

RECONCILIATION ADJUSTMENT: (To be added to Lifeline Rate Adjustment):

MAUI DIVISION

LIFELINE RATE ADJUSTMENT

Supplement To

Schedule R	_	Residential Service
Schedule E	-	Electric Service For Employees
Schedule L	_	Lifeline Rate Program
Schedule G	_	General Service Non-Demand
Schedule J	-	General Service Demand
Schedule H	-	Commercial Cooking, Heating, Air
		Conditioning and Refrigeration Service
Schedule P	_	Large Power Service
Schedule F	-	Public Street Lighting
Schedule U	_	Time of Use Service

All terms and provisions of Schedules R, E, L, G, J, H, P, F, and U are applicable except that the total base rate charges for each billing period shall be increased by the following Lifeline Rate Adjustment:

All Rate Schedules X.XXXX ¢/kWh

The total base rate charges for all rate schedules shall be increased by the above Lifeline Rate Adjustment, which is based on the recovery of the Lifeline Rate program costs as approved by the Public Utilities Commission. Amounts billed under the Lifeline Rate Adjustment will appear as a separate line item on customer bills.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Lifeline Rate Adjustment and other adjustments to base rate charges.

RECONCILIATION ADJUSTMENT: (To be added to Lifeline Rate Adjustment):

LANAI DIVISION

LIFELINE RATE ADJUSTMENT

Supplement To

Schedule			Residential Service
Schedule	E	_	Electric Service For Employees
Schedule	L	_	Lifeline Rate Program
Schedule	G	-	General Service Non-Demand
Schedule	J	-	General Service Demand
Schedule	Н	_	Commercial Cooking, Heating, Air
			Conditioning and Refrigeration Service
Schedule	Р	-	Large Power Service
Schedule	F	-	Public Street Lighting
Schedule	U	_	Time of Use Service

All terms and provisions of Schedules R, E, L, G, J, H, P, F, and U are applicable except that the total base rate charges for each billing period shall be increased by the following Lifeline Rate Adjustment:

All Rate Schedules X.XXXX ¢/kWh

The total base rate charges for all rate schedules shall be increased by the above Lifeline Rate Adjustment, which is based on the recovery of the Lifeline Rate program costs as approved by the Public Utilities Commission. Amounts billed under the Lifeline Rate Adjustment will appear as a separate line item on customer bills.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Lifeline Rate Adjustment and other adjustments to base rate charges.

RECONCILIATION ADJUSTMENT: (To be added to Lifeline Rate Adjustment):

MOLOKAI DIVISION

LIFELINE RATE ADJUSTMENT

Supplement To

- 1			
Schedule			Residential Service
Schedule	E	_	Electric Service For Employees
Schedule	L	_	Lifeline Rate Program
Schedule	G	-	General Service Non-Demand
Schedule	J	_	General Service Demand
Schedule	Η	_	Commercial Cooking, Heating, Air
			Conditioning and Refrigeration Service
Schedule	Р	-	Large Power Service
Schedule	F	_	Public Street Lighting
Schedule	U	-	Time of Use Service

All terms and provisions of Schedules R, E, L, G, J, H, P, F, and U are applicable except that the total base rate charges for each billing period shall be increased by the following Lifeline Rate Adjustment:

All Rate Schedules X.XXXX ¢/kWh

The total base rate charges for all rate schedules shall be increased by the above Lifeline Rate Adjustment, which is based on the recovery of the Lifeline Rate program costs as approved by the Public Utilities Commission. Amounts billed under the Lifeline Rate Adjustment will appear as a separate line item on customer bills.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Lifeline Rate Adjustment and other adjustments to base rate charges.

RECONCILIATION ADJUSTMENT: (To be added to Lifeline Rate Adjustment):



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Home > Residential > Residential Rates

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Expand All | Collapse All

Residential Rates

Schedule D Options

Residential customers who qualify for service under Rate Schedule D may also be able to take advantage of one or more of the following special rate options:

20% Discount For Qualifying Households: "D-CARE"

Rate Schedule

 Schedule D-CARE customers receive 20% off Schedule D rates and are exempt from recent rate increases ordered by the CPUC. To qualify, total annual household income cannot be more than the levels shown on the application for Schedule D-CARE. Please click here to view a CARE application.

Schedule DS: A discount for those using more power in the winter than in the summer.

 The Domestic Seasonal (DS) pricing option offers a discount to qualifying residential customers who generally use more electricity in the winter than they do in the summer, and who have established a minimum of 12 months of billing history at their present account.

For more information about Southern California Edison's Rate Schedule DS Pricing Option, view SCE's online DS Pricing Option Fact Sheet.

• Schedule D-APS (Residential Summer Discount Plan - Base)

The Base Summer Discount Plan (SDP), for qualifying residential customers, re-opened April 14, 2001, with no change to the existing program. This program offers participating customers credits on their summer season bills in exchange for allowing SCE to install a remotely controlled cycling device on their air conditioner(s). The cycling device permits SCE to periodically turn off, or "cycle," a customer's air conditioner(s) for short periods during the height of the summer season. Air conditioner interruptions are limited to 6 hours per event, 15 events per- summer season. The summer season is from the first Sunday in June to the first Sunday in October each year.

For more information about Southern California Edison's pricing schedules, visit SCE's online **Schedule D-APS Tariff Sheet**.

Schedule D-APS-E (Residential Summer Discount Plan - Enhanced)

The new Enhanced Summer Discount Plan (SDP), for qualifying residential customers, opened April 14, 2001. This program offers participating customers credits on their summer season bills in exchange for allowing SCE to install a remotely controlled cycling device on their air conditioner(s). The cycling device permits SCE to periodically turn off, or "cycle," a customer's air conditioner(s) an unlimited number of times and a maximum of 6 hours per event during the height of the summer season. When compared with the Base SDP, the Enhanced SDP provides double the credit amounts, but the potential number of times SCE may turn off the air conditioner is unlimited during the summer season. The summer season is from the first Sunday in June through the first Sunday in October each year.

For more information about Southern California Edison's pricing schedules, visit SCE's online **Schedule D-APS-E Tariff Sheet**.



SCE - Schedule D Options

For more information about Southern California Edison's pricing schedules, visit SCE's SCE Tariff Book.

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CARE / FERA Program Application for **Residential Single-Family Customers**

79-1051 Rev. 06/01/08

ABOUT THE CARE / FERA PROGRAM

- California Alternate Rates for Energy (CARE) Program provides a 20% discount on your monthly energy bill of qualifying households.
- Family Electric Rate Assistance (FERA) Program provides savings on your electric bill for large households of three or more persons with low-to middle-income.

MAXIMUM HOUSEHOLD INCOME: (effective June 1, 2008 to May 31, 2009)

Number of Persons in	Total Combined A	Innual Income (before taxes)
Household	CARE	FERA
1-2	\$30,500	Not Eligible
	\$35,800	\$35,801 - \$44,800
4	\$43,200	\$43,201 - \$54,000
5	\$50,600	\$50,601 - \$63,200
6	\$58,000	\$58,001 - \$72,400
For each additional	\$7.400	\$7,400 - \$9,200
person, add:	3 7,400	57.400 = 59,200

PROGRAM GUIDELINES

- The PG&E bill must be in your name.
- You must live at the address where the discount will be received.
- You may not share energy meter(s) with another home.
- You may not be claimed as a dependent on another person's income tax return other than your spouse.
- Your household must meet the program income guidelines described in this application.
- You must notify PG&E if your household no longer qualifies for the CARE / FERA discount.
- Tenants of sub-metered mobile home parks, apartments and marinas must use the "CARE / FERA Program Application for Tenants of Sub-Metered Facilities". (See Landlord / Manager for form 01-9285)

OTHER PROGRAMS AND FREE SERVICES YOU MAY QUALIFY FOR

- LIHEAP Low Income Home Energy Assistance Program. Provides bill payment assistance, emergency bill assistance and weatherization services. Call the Department of Community Services and Development (CSD) at 1-866-675-6623 for more information.
- **REACH** Contact the Salvation Army for one-time assistance in paying your bills. Call the Salvation Army at 1-800-933-9677 for more information.
- **Medical Baseline** Provides services at the lowest rates to customers with documented needs. Call 1-800-PGE-5000 for more information.
- **Energy Partners** Free energy education and weatherization to incomequalified customers. Call 1-800-989-9744 for more information.
- Balanced Payment Plan Contact Pacific Gas and Electric Company Customer Services to see how your monthly payments can be evened out to allow you to budget your energy costs. Call 1-800-PGE-5000 for more information.
- **ULTS** Universal Lifeline Telephone Service provides discounted telephone access for customers meeting similar income guidelines as CARE. Contact your local telephone service provider for more information.

CARE: 1-866-743-2273 Fax: 415-973-6419 www.pge.com/care

FERA: 1-800-743-5000 Fax: 415-973-6419 www.pge.com/fera

TDD/TTY 1-800-652-4712

for Speech/Hearing-Impaired, Monday - Friday 9am - 11pm

California Relay 1-800-735-2929 if you can not utilize the TDD line

Contact: Terry Hadley 512-936-7135

Public Utility Commission of Texas

1701 N. Congress, P.O. Box 13326, Austin, TX 78711-3326 Fax 512-936-7003

News Release Wednesday, March 11, 2009

Low-Income Electricity Discount to Resume Customers to get 15.5 percent reduction May through August

The Public Utility Commission (PUC) has authorized a 15.5 percent discount effective May 2009 for low-income residential electric customers in areas participating in retail electric competition. The current program is funded through August 2009 and amounts to an average monthly discount of nearly 40 dollars.

Most eligible customers are automatically enrolled through a matching system operated by the Low-Income Discount Administrator (LIDA) using data provided by the Texas Health and Human Services Commission (HHSC) and retail electric providers. The PUC estimates approximately 464,000 customers will receive the discount each month.

Customers who qualify for the Low-Income Discount but are not automatically matched are encouraged to apply directly by calling 1-866-454-8387 toll-free. In addition, customers who self-enrolled over the past year need to reenroll. Self-enrolled customers are required to re-enroll every seven months. Every self-enrolled customer should have received an application and information by mail. Customers who have not received this information should call the above toll-free number. The Website www.puc.statc.tx.us/ocp/assist/liteup/index.cfm also contains this information in both English and Spanish.

Completed applications must be mailed with a copy of the most recent electric bill and income documentation to: LITE-UP TEXAS

1779 Wells Branch Parkway, Ste. 110B, #320 Austin, TX 78728-7022

A customer qualifies if family income is at or below 125 percent of federal poverty level guidelines (\$27,563 annually for a family of four), or if the customer receives certain benefits from HHSC, including food stamps or Medicaid.

The customer must have an electric account in an area with retail customer choice. Residents of master or sub-metered apartments cannot get the discount. The discount does not affect eligibility for any other government benefit.

Funding for the discount comes from the System Benefit Fund. The fund collects 65 cents per 1,000 kWh from electric customers in areas of retail electric competition within Texas.

Customers receiving the low-income discount can save more money by shopping for a lower rate. Current price offers are substantially less than last year because of lower fuel prices. Before authorizing a switch, customers should consider existing and new contract terms in addition to deposit requirements. Current prices are available at www.powertochoose.com or by calling 1-866-797-4839 (1-866-PWR-4-TEX) toll-free.

All PUC News Releases are available at www.puc.state.tx.us

VERIFICATION

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

DARCY L. ENDO-OMOTO, being first duly sworn, deposes and says: That she is the Vice President of Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., Applicants in the above proceeding; that she makes this verification for and on behalf of HECO, HELCO, and MECO, and is authorized so to do; that she has read the foregoing Application, and knows the contents thereof; and that the same are true of her own knowledge except as to matters stated on information or belief, and that as to those matters she believes them to be true.

Darcy L. Endo-Omoto

Subscribed and sworn to before me this 30th day of April 2009.

Deborah Ichishita
Notary Public, First Circuit
State of Hawaii

My Commission expires July 18, 2012

Doc. Date: 4/30/2009 # Pages: 37
Name: DEBORAH ICHISHITA First Circuit

Doc. Description <u>Application</u>, Exhibits,

Verification & Certificate of Service

Kliboral V chi tute

Date

NOTARY CERTIFICATION



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.,)	DOCKET NO.
HAWAII ELECTRIC LIGHT COMPANY, INC	C.,)	
and MAUI ELECTRIC COMPANY, LTD.)	
)	
For Approval of a Lifeline Rate Program and)	
Recovery of Program Costs)	
)	

CERTIFICATE OF SERVICE

I hereby certify that on April 30, 2009, I served two copies of the foregoing Application, together with this Certificate of Service, by hand delivery to the following, at the following address:

Division of Consumer Advocacy Department of Commerce and Consumer Affairs 335 Merchant Street, Room 326 Honolulu, HI 96813

DATED: Honolulu, Hawaii, April 30, 2009.

HAWAIIAN ELECTRIC COMPANY, Inc.

Kyle Kawata



Dean K. Matsuura Manager Regulatory Affairs

April 30, 2009

PUBLIC UTILITIES
PUBLIC PUBLIC OF 2: 46

The Honorable Chairman and Members of the Hawaii Public Utilities Commission Kekuanaoa Building, 1st Floor 465 South King Street Honolulu, Hawaii 96813

Dear Commissioners:

Subject: Application for Lifeline Rate Program

Enclosed for filing is the HECO Companies' application for a Lifeline Rate Program.¹ The Companies have had discussions with the Division of Consumer Advocacy ("Consumer Advocate") on the design of the program. However, the HECO Companies are continuing discussions with the Consumer Advocate on two matters relating to this application:
(1) whether to have an open (year-round) or a limited enrollment time period, and (2) whether to recover the Lifeline Rate Program costs via a separate Lifeline Rate Surcharge, or via the Revenue Balancing Account ("RBA") component of the HECO Companies' proposed decoupling mechanism in Docket No. 2008-0274.² The HECO Companies will file an update with the Commission upon conclusion of these discussions with the Consumer Advocate.

If there are any questions on this application, please contact me at 543-4622.

Very truly yours,

Can Elle

Enclosure

cc: Division of Consumer Advocacy

¹ The "HECO Companies" or "Companies" are Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited.

² See the Exhibit A (RBA Provision) of the *Joint Proposal on Decoupling and Statement of Position of the HECO Companies and the Consumer Advocate*, filed March 30, 2009, in Docket No. 2008-0274.